

# **Vietnam Electric Power Industry**

“Paving the way for wind energy in Vietnam market”

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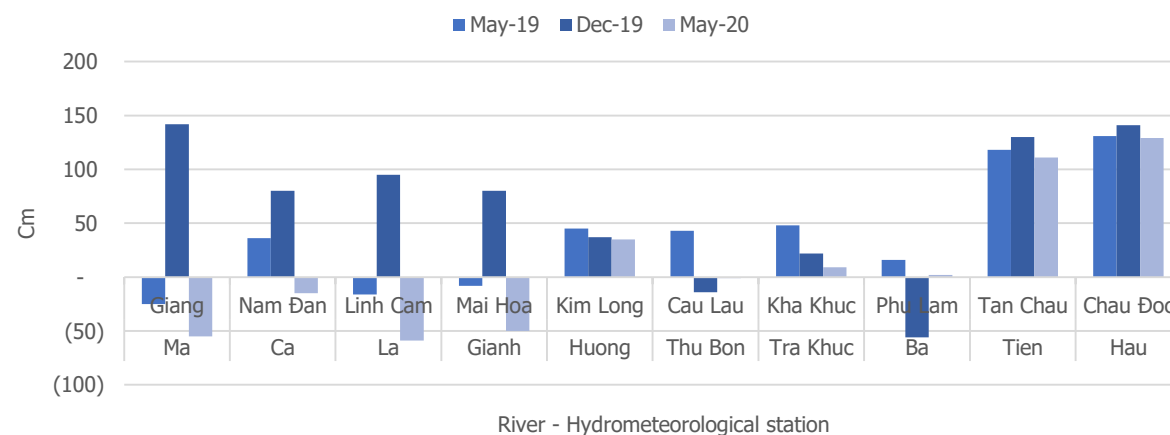
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# Electric Power Industry

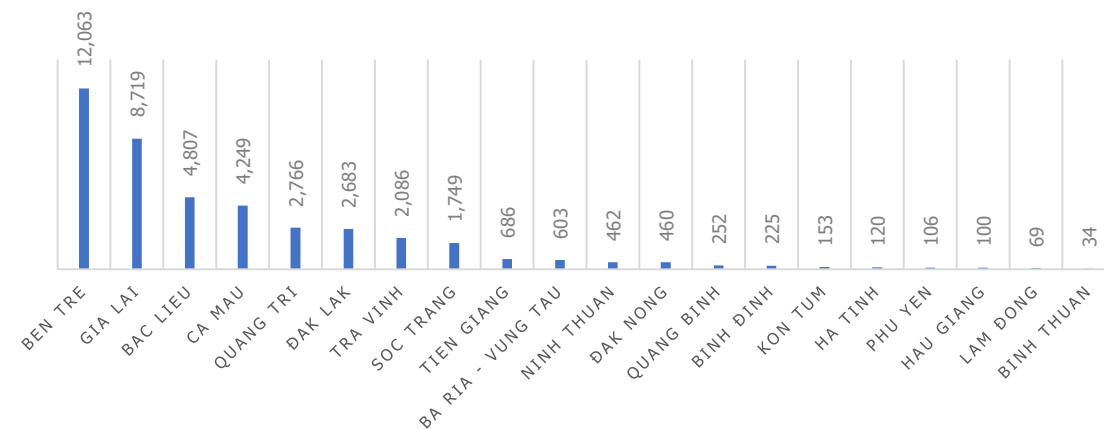
## Green light for wind power development

- Vietnam electricity consumption increased by 3.46% yoy in 4M20, according to EVN. However, April volume recorded a 3.84% yoy lower number due to the nationwide social distancing. We foresee the growth rate of electricity consumption will return to 6.47% yoy from May 2020, equivalent to that of 1Q20, which is lower than FY20 target of a 9.1% yoy growth. Although the consumption growth rate was slowed down in 4M20, EVN still increased mobilization from the coal-fired thermal power group (45.3bn kWh, +17.6% yoy) to offset the output decrease in the hydropower (11.6bn kWh, -36.5% yoy) and gas-fired power groups (12.6bn kWh, -16.6% yoy).
- Hydropower plants is having a difficult year. We anticipate the FY20 profit of hydropower group will reduce by 46% yoy on average. In 1Q20, listed hydropower generations recorded a 76% yoy decrease in net profit on average. The poor performance will last until end of 2Q20, then turn more positive in 2H20. The water levels of some main rivers in Central and South regions in the early of May 2020 have shrunk 84% year-to-date on average and 73% yoy on average.
- Regarding the development of gas-fired power projects, the Nhon Trach 3&4 and the Block B O Mon projects showed signs of delay. Particularly, the estimated EPC value of the Nhon Trach 3&4 projects, based on the feasibility study report, included some unregulated cost norms, in accordance with Decree No. 68/2019/ND-CP on construction cost management. It needs the guidance of the Ministry of Construction on this matter. The foreign capital funding plan of the Block B O Mon gas field and gas pipeline projects, already reviewed by the State Capital Management Committee and the Ministry of Finance, is taking longer than expected.
- We view development of wind power will be more focused to make up for the outages in Vietnam market, given the risk of some major thermal power projects being behind schedule. The Ministry of Industry and Trade (MOIT) proposed the Prime Minister to extend the Feed in Tariff (FIT) scheme lasting until Dec 2023 for wind power projects, as stated in Document No. 2491/BCT-ĐL. MOIT reported that 254 wind power projects with total capacity of 45,757 MW were proposed into the Master Plan by Apr 2020.

Water level in Central & South regions



PROPOSED SUPPLEMENT WIND POWER PROJECTS (MW)



Source: EVN, MBS Research

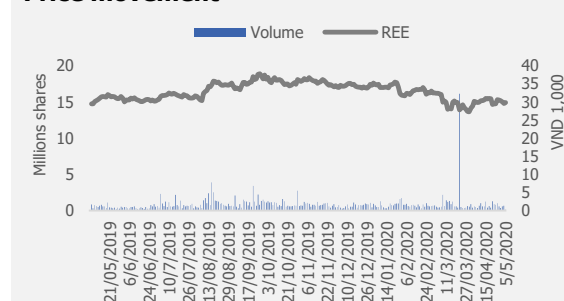
**BUY; Target price: VND 36,500**

## Our takeaway

We maintain our BUY call for REE and decrease our target price by 6% to VND 36,500 (16% upside) as we lower our estimate of FY20 earnings. The stock price has increased by 9% since our latest report in Mar 2020.

- The company reported 1Q20 revenue of VND 1,181bn (+9% yoy) and net profit of VND 256bn (-27% yoy). The results came from a 45% yoy drop in M&E segment's earnings and a 46% yoy fall in ones of power and water segments. Major companies in power and water portfolio showed lower profit in 1Q20, including TBC (-60%), TMP (-30%), SBH (-80%), VSH (-101%), CHP (-108%), PPC (-44%) and VCW (-46%). A 16% yoy higher earnings in office for lease division can be attributed to the Etown 5 tower (operating in 3Q19), which lent a helping hand to mitigate the reduction in total profit.
- A 18% lower forecasted earnings in FY20. We decrease our forecasted net profit of M&E and power and water segments by 46% and 20% respectively. We assume M&E division will maintain net profit margin of 4.2%, compared to previous forecast of 7.7% (1Q20 ~ 4.4%), to keep its competitiveness in bidding new contracts. Higher account receivables under more difficult business environment will cause increase in the cost related to working capital. For power segment, we mainly reduce FY20 forecasted earnings of SBH by 71% and CHP by 43% given their 1Q20 performance.
- Net profit forecast of VND 1,218bn in the rest of nine months of FY20 (-5% yoy). We anticipate a 17% yoy increase in earnings of office leasing segment to offset a reduction in profit of M&E division (-38% yoy) and power and water segments (-15% yoy) in the last nine months. The hydropower group will continue recording lower performance yet still be better than that of 1Q20 as hydrological conditions are expected to recover in 2H20.
- The stock is currently trading at FY20F and FY21F P/E of 6.6x and 5.4x respectively, lower than its five-year historical P/E of 7x. Upside potential comes from positive news of new projects. REE set up the Song Long Real Estate JSC in Feb 2020 and intended to develop new project at the Buon Me Thuot city, Dak Lak province. However, details of its planning have not yet been disclosed.

### Price movement



	1M	3M	12M
REE (%)	0%	-7%	-1%
VN-Index (%)	+6%	-12%	-15%

Report date	May 18, 2020
Current price	VND 31,400
Target price	VND 36,500
Upside	16%
Bloomberg	REE VN
Market cap	VND 9,658bn
	USD 411mn
52 weeks movement	VND 27,300
	VND 37,800
Average daily value	VND 29bn
	USD 1.2mn
FOL	49%
Current FO	49%

Unit: VND billion	FY19	FY20F	FY21F	FY22F	FY23F
Revenue	4,890	5,646	5,212	5,386	5,536
EBIT	2,334	2,225	2,666	2,929	2,824
<b>Net profit</b>	<b>1,639</b>	<b>1,474</b>	<b>1,812</b>	<b>2,033</b>	<b>1,995</b>
Net profit (basic)	1,481	1,461	1,812	2,033	1,995
EPS (VND)	5,286	4,750	5,839	6,551	6,426
EPS growth rate (%)	-8%	-10%	23%	12%	-2%
P/E (x)	5.9	6.6	5.4	4.8	4.9
EV/EBITDA (x)	7	8	6	6	5
DPS (VND)	1,800	1,600	1,600	1,600	1,600
Dividend yield (%)	6%	5%	5%	5%	5%
P/B (x)	0.9	0.8	0.7	0.7	0.6
<b>ROE (%)</b>	<b>16%</b>	<b>13%</b>	<b>14%</b>	<b>14%</b>	<b>13%</b>
Net debt/equity (%)	63%	72%	69%	57%	45%

Source: MBS Research

# Refrigeration Electrical Engineering Corp. (HSX: REE) - APPENDIX



Income statement (VND bn)	FY19	FY20F	FY21F	FY22F
Net revenue	4,890	5,646	5,212	5,386
Cost of goods sold	3,644	4,193	3,717	3,811
Gross profit	1,246	1,454	1,495	1,575
Financial income	442	425	453	503
Financial expenses	386	502	537	571
Profit of associates	907	665	1,043	1,190
Selling expenses	78	90	83	86
G&A expenses	222	233	245	257
Operating profit	1,910	1,719	2,125	2,354
Other profit	11	13	13	13
EBT	1,921	1,732	2,138	2,367
EAT	1,720	1,559	1,924	2,154
<b>Net profit</b>	<b>1,639</b>	<b>1,474</b>	<b>1,812</b>	<b>2,033</b>
Minority interests	81	84	112	121

Balance sheet (VND bn)	FY19	FY20F	FY21F	FY22F
<b>Current assets</b>	<b>5,999</b>	<b>6,206</b>	<b>5,506</b>	<b>5,775</b>
I. Cash & cash equivalents	1,540	328	55	199
II. Short-term investments	1,221	1,221	1,221	1,221
III. Current accounts receivable	2,138	2,567	2,369	2,448
IV. Inventories	987	1,996	1,770	1,815
V. Other current assets	113	93	91	92
<b>Non-current assets</b>	<b>13,624</b>	<b>14,927</b>	<b>17,129</b>	<b>17,830</b>
I. Long-term receivables	39	39	39	39
II. Fixed assets	1,859	1,729	4,413	4,167
1. Tangible fixed assets	1,827	1,698	4,383	4,138
2. Intangible fixed assets	32	31	30	29
III. Investment properties	1,856	1,726	1,597	1,468
IV. Long-term assets in progress	68	1,504	788	1,508
V. Long-term investments	9,214	9,368	9,758	10,141
VI. Other long-term assets	588	560	533	506
<b>Total assets</b>	<b>19,623</b>	<b>21,133</b>	<b>22,635</b>	<b>23,605</b>
<b>Liabilities</b>	<b>8,521</b>	<b>9,056</b>	<b>9,246</b>	<b>8,682</b>
<b>I. Current liabilities</b>	<b>3,269</b>	<b>3,395</b>	<b>3,283</b>	<b>3,222</b>
1. Short-term payables	2,381	2,329	2,129	2,305
2. Short-term loans	888	1,065	1,154	917
<b>II. Non-current liabilities</b>	<b>5,252</b>	<b>5,661</b>	<b>5,963</b>	<b>5,460</b>
1. Long-term payables	513	513	513	513
2. Long-term loans	4,739	5,148	5,450	4,947
<b>Equity</b>	<b>11,102</b>	<b>12,077</b>	<b>13,389</b>	<b>14,922</b>
1. Charter capital	3,101	3,101	3,101	3,101
2. Surplus	1,050	1,050	1,050	1,050
3. Retained earnings	6,246	7,221	8,533	10,066
4. Minorities interests	705	705	705	705
<b>Total liabilities &amp; equity</b>	<b>19,623</b>	<b>21,133</b>	<b>22,635</b>	<b>23,605</b>

Key ratios	FY19	FY20F	FY21F	FY22F
<b>Valuation</b>				
EPS (VND)	5,286	4,750	5,839	6,551
BVPS (VND)	35,801	38,945	43,177	48,121
P/E	5.9	6.6	5.4	4.8
P/B	0.9	0.8	0.7	0.7
<b>Profitability</b>				
Gross profit margin	25%	26%	29%	29%
EBITDA margin	50%	45%	58%	62%
NET profit margin	34%	26%	35%	38%
ROE	16%	13%	14%	14%
ROA	9%	7%	8%	9%
<b>Growth</b>				
Revenue growth	-4%	15%	-8%	3%
EBT growth	-9%	-10%	23%	11%
Net profit growth	-8%	-10%	23%	12%
EPS	-8%	-10%	23%	12%
Total assets	27%	8%	7%	4%
Equity	12%	9%	11%	11%
<b>Liquidity</b>				
Current ratio	1.84	1.83	1.68	1.79
Quick ratio	1.53	1.24	1.14	1.23
Liabilities/Total assets	43%	43%	41%	37%
Liabilities/Equity	0.77	0.75	0.69	0.58
Interest coverage ratio	6.55	4.21	4.72	5.21
<b>Operating efficiency</b>				
Receivables turnover	2	2	2	2
Days sales outstanding	153	166	166	166
Inventory turnover	4	2	2	2
Days sales of Inventory	98	174	174	174
Payables turnover	2	2	2	2
Days payables outstanding	217	203	203	203

Cashflow Statement (VND bn)	FY19	FY20F	FY21F	FY22F
CFO	319	(763)	904	810
CFI	(1,630)	(539)	(1,071)	569
CFF	985	91	(107)	(1,235)
Net cash flows during the period	(325)	(1,212)	(274)	144

# PetroVietnam Power Nhon Trach 2 JSC (HSX: NT2)



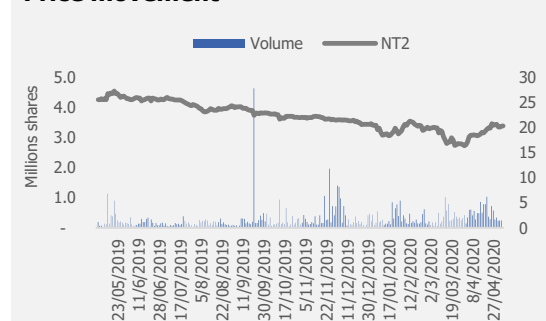
**HOLD; Target price: VND 22,300**

## Our takeaway

We maintain our target price at VND 22,300 (12% upside) and our HOLD recommendation for NT2. We view NT2 is a good fit for more risk-averse investors given its low downside risk and expected annual dividend yield of 11% on average.

- The company reported 1Q20 revenue of VND 1,723bn (-9% yoy) and net profit of VND 179bn (+1% yoy). Total gross profit increased by 30% yoy thanks to a 36% rise in gross profit per kWh from VND 153/kWh to VND 208/kWh, despite a 5% yoy decrease in selling volume. The growth of PPA proportion (Qc) over total output from 70% in 1Q19 to 79% in 1Q20 lent a helping hand to lessen the reduction in average selling price (-4% yoy), compared to that in production costs (-9% yoy). However, due to the effect of one-off profit in 1Q19 including a reversal from Science and Technology Development Fund of VND 37bn and unrealized exchange gains of VND 19bn, the 1Q20 bottom line was equivalent to that of 1Q19.
- Net profit forecast of VND 494bn in the rest of nine months of FY20 (-14% yoy). We anticipate a 15% yoy decrease in gross profit per kWh from VND 211/kWh to VND 179/kWh in the last nine months. We expect the process of renegotiating PPA (Power Purchase Agreement) to be finished by 4Q20 and a VND 20/kWh lower FC (fixed price) to be retroactively applied from Jan 2020.
- We expect FY21 net earnings will be VND 768bn (+14% yoy) given a 3% yoy increase in selling volume thanks to low base from FY20 maintenance and a 59% yoy fall in interest expenses and guarantee fees.
- NT2 is currently trading at FY20F of 9x and FY21F P/E of 8x, 18% lower than its peers. Our target price is susceptible to fluctuation of official FC. If the FC increases by VND 10/kWh, annual net profit will grow by 6% compared to our base case.

### Price movement



	1M	3M	12M
NT2 (%)	+12%	+1%	-20%
VN-Index (%)	+3%	-18%	-20%

Report date	May 07, 2020
Current price	VND 19,950
Target price	VND 22,300
Upside	+12%
Bloomberg	NT2 VN
Market cap	VND 5,901bn
	USD 251mn
52 weeks movement	VND 16,300
	VND 27,200
Average daily value	VND 6.6bn
	USD 0.3mn
FOL	49%
Current FO	17.63%

Unit: VND billion	FY19	FY20F	FY21F	FY22F	FY23F
Revenue	7,654	6,320	6,740	6,861	6,664
EBIT	885	759	829	735	660
<b>Net profit</b>	<b>754</b>	<b>673</b>	<b>768</b>	<b>687</b>	<b>617</b>
<b>Net profit (basic)</b>	<b>710</b>	<b>681</b>	<b>767</b>	<b>686</b>	<b>616</b>
EPS (VND)	2,540	2,267	2,587	2,316	2,078
EPS growth rate (%)	-3%	-11%	14%	-10%	-10%
<b>P/E (x)</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>10</b>
EV/EBITDA (x)	6	6	5	5	4
<b>DPS (VND)</b>	<b>2,500</b>	<b>2,200</b>	<b>2,500</b>	<b>2,200</b>	<b>2,000</b>
<b>Dividend yield (%)</b>	<b>13%</b>	<b>11%</b>	<b>12%</b>	<b>11%</b>	<b>10%</b>
P/B (x)	1.4	1.4	1.4	1.4	1.4
<b>ROE (%)</b>	<b>19%</b>	<b>16%</b>	<b>18%</b>	<b>16%</b>	<b>15%</b>
Net debt/equity (%)	72%	55%	39%	23%	7%

Source: MBS Research

Macro outlook

Stock market outlook

Key investment themes

Sector Outlook

# PetroVietnam Power Nhon Trach 2 JSC (HSX: NT2) – APPENDIX



Income statement (VND bn)	FY19	FY20F	FY21F	FY22F
Net revenue	7,654	6,320	6,740	6,861
Cost of goods sold	6,679	5,420	5,813	6,056
<b>Gross profit</b>	<b>975</b>	<b>900</b>	<b>928</b>	<b>805</b>
Financial income	48	39	39	39
Financial expenses	168	136	64	21
Profit of associates	0	0	0	0
Selling expenses	0	0	0	0
G&A expenses	87	91	96	101
<b>Operating profit</b>	<b>767</b>	<b>712</b>	<b>807</b>	<b>723</b>
Other profit	30	-4	1	1
EBT	797	708	808	724
EAT	754	673	768	687
<b>Net profit</b>	<b>754</b>	<b>673</b>	<b>768</b>	<b>687</b>
Minority interests	0	0	0	0

Balance sheet (VND bn)	FY19	FY20F	FY21F	FY22F
<b>Current assets</b>	<b>2,416</b>	<b>2,181</b>	<b>2,637</b>	<b>3,454</b>
I. Cash & cash equivalents	451	60	380	1,135
II. Short-term investments	200	200	200	200
III. Current accounts receivable	1,459	1,621	1,728	1,759
IV. Inventories	302	226	242	252
V. Other current assets	4	75	87	107
<b>Non-current assets</b>	<b>5,148</b>	<b>4,315</b>	<b>3,579</b>	<b>2,870</b>
I. Long-term receivables	0	0	0	0
II. Fixed assets	4,876	4,198	3,521	2,843
1. Tangible fixed assets	4,853	4,177	3,502	2,826
2. Intangible fixed assets	23	21	19	17
III. Investment properties	0	0	0	0
IV. Long-term assets in progress	1	1	1	1
V. Long-term investments	0	0	0	0
VI. Other long-term assets	270	116	58	27
<b>Total assets</b>	<b>7,564</b>	<b>6,496</b>	<b>6,217</b>	<b>6,324</b>
<b>Liabilities</b>	<b>3,437</b>	<b>2,340</b>	<b>2,032</b>	<b>2,111</b>
<b>I. Current liabilities</b>	<b>2,944</b>	<b>2,339</b>	<b>2,031</b>	<b>2,110</b>
1. Short-term payables	1,594	1,594	1,761	1,835
2. Short-term loans	1,350	745	270	274
<b>II. Non-current liabilities</b>	<b>493</b>	<b>1</b>	<b>1</b>	<b>1</b>
1. Long-term payables	1	1	1	1
2. Long-term loans	492	0	0	0
<b>Equity</b>	<b>4,127</b>	<b>4,156</b>	<b>4,185</b>	<b>4,213</b>
1. Charter capital	2,879	2,879	2,879	2,879
2. Surplus	-1	0	0	0
3. Retained earnings	1,249	1,277	1,306	1,334
4. Minorities interests	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>7,564</b>	<b>6,496</b>	<b>6,217</b>	<b>6,324</b>

Key ratios	FY19	FY20F	FY21F	FY22F
<b>Valuation</b>				
EPS (VND)	2,540	2,267	2,587	2,316
BVPS (VND)	14,333	14,435	14,535	14,635
P/E	8	9	8	9
P/B	1.4	1.4	1.4	1.4
<b>Profitability</b>				
Gross profit margin	13%	14%	14%	12%
EBITDA margin	21%	23%	22%	21%
Net profit margin	10%	11%	11%	10%
ROE	19%	16%	18%	16%
ROA	9.2%	9.6%	12.1%	11.0%
<b>Growth</b>				
Revenue growth	0%	-17%	7%	2%
EBT growth	-3%	-11%	14%	-10%
Net profit growth	-4%	-11%	14%	-10%
EPS	-3%	-11%	14%	-10%
Total assets	-15%	-14%	-4%	2%
Equity	12%	1%	1%	1%
<b>Liquidity</b>				
Current ratio	0.82	0.93	1.30	1.64
Quick ratio	0.72	0.84	1.18	1.52
Liabilities/Total assets	45%	36%	33%	33%
Liabilities/Equity	0.83	0.56	0.49	0.50
Interest coverage ratio	9.66	14.94	40.18	66.91
<b>Operating efficiency</b>				
Receivables turnover	3.8	3.9	3.9	3.9
Days sales outstanding	95	94	94	94
Inventory turnover	24	24	24	24
Days sales of Inventory	15	15	15	15
Payables turnover	3.5	3.4	3.3	3.3
Days payables outstanding	103	107	111	111

Cashflow Statement (VND bn)	FY19	FY20F	FY21F	FY22F
CFO	1,917	1,315	1,497	1,373
CFI	(187)	15	15	15
CFF	(1,344)	(1,721)	(1,191)	(633)
Net cash flows during the period	386	(391)	321	755

# PetroVietnam Power Corporation (HSX: POW)



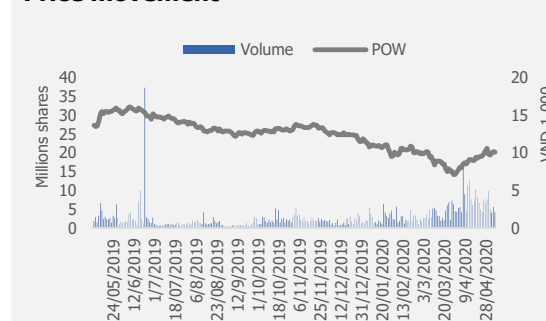
**BUY; Target price: VND 13,100**

## Our takeaway

We maintain our BUY call for POW and decrease our target price by 5% to VND 13,100 (28% upside) as we lower our estimate of FY20 earnings.

- The company reported 1Q20 revenue of VND 7,975bn (-5% yoy) and net profit of VND 444bn (-47% yoy). The results came from a 22% yoy drop in gross profit and unrealized exchange losses of VND 136bn. Particularly, the output of the Hua Na and DakDrinh hydropower plants decreased by 61% yoy and 58% yoy respectively due to unfavorable hydrological conditions, while the volume of the NT1 gas-fired power plant reduced by 60% caused by lacking of gas sources. On the upside, the 1Q20 better output of the Vung Ang 1 coal-fired power plant (+50% yoy) was able to offset the negative factors.
- We expect net profit to increase by 18% yoy in the remaining nine months and FY20 earnings to slightly fall by 4% yoy to VND 2,417bn. We anticipate a 32% yoy increase in the Vung Ang 1 selling volume will somewhat compensate for the 48% yoy decrease in the output of hydropower group and a 10% reduction in that of gas-fired thermal power group in the last nine months. POW will continue to face headwind as water levels in the reservoirs are still at low points and technical problem of the Block 11.2 (one of the main gas sources of NT1) will last into 2Q20. However, we expect these issues to be improved in 2H20. Besides, we assume POW will record a 15% yoy lower financial expenses and a 67% yoy smaller provisions for EPTC receivables, which can push the bottom line upward in the rest of nine months. Totally, our FY20 forecasted earnings is 10% lower than the previous one as we reduce the estimated output of the Hua Na, DakDrinh and NT1 power plants based on their 1Q20 under expected performance.
- We apply FCFE approach to reach the target price of VND 13,100, translating to a P/E of 13x for FY20 and 12x for FY21. The stock is currently trading at FY20F P/E of 10x and FY21F P/E of 9x. Our target price is sensitive to FC of the NT2 and Ca Mau 1&2 power plants after renegotiating PPA, risk of re-signing of PPA for NT1 after the first one expired in 2019 and for Vung Ang 1 after finalization of work construction at lower tariffs.

### Price movement



	1M	3M	12M
POW (%)	+26%	+2%	-27%
VN-Index (%)	+3%	-18%	-20%

Report date	May 08, 2020
Current price	VND 10,200
Target price	VND 13,100
Upside	+28%
Bloomberg	POW VN
Market cap	VND 23,653bn USD 1,006mn
52 weeks movement	VND 7,100 VND 16,100
Average daily value	VND 33bn USD 1.4mn
FOL	49%
Current FO	11.52%

Unit: VND billion	FY19	FY20F	FY21F	FY22F	FY23F
Revenue	35,374	35,349	36,498	37,467	44,066
EBIT	4,319	4,129	4,124	4,361	4,894
<b>Net profit</b>	<b>2,510</b>	<b>2,417</b>	<b>2,630</b>	<b>3,020</b>	<b>2,881</b>
<b>Net profit (basic)</b>	<b>2,419</b>	<b>2,422</b>	<b>2,616</b>	<b>2,990</b>	<b>2,881</b>
EPS (VND)	1,028	981	1,067	1,227	1,171
EPS growth rate (%)	26%	-5%	9%	15%	-5%
<b>P/E (x)</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>9</b>
EV/EBITDA (x)	7.3	8.0	7.9	7.7	6.4
DPS (VND)	-	300	600	600	600
Dividend yield (%)	0%	3%	6%	6%	6%
P/B (x)	0.8	0.8	0.7	0.7	0.7
ROE (%)	9%	8%	8%	9%	8%
Net debt/equity (%)	72%	91%	107%	119%	118%

Source: MBS Research

Macro outlook

Stock market outlook

Key investment themes

Sector Outlook

# PetroVietnam Power Corporation (HSX: POW) - APPENDIX



Income statement (VND bn)	FY19	FY20F	FY21F	FY22F
Net revenue	35,374	35,349	36,498	37,467
Cost of goods sold	30,237	30,435	31,294	31,989
Gross profit	5,137	4,914	5,204	5,478
Financial income	453	390	390	390
Financial expenses	1,324	1,264	941	708
SG&A expenses	1,203	963	1,282	1,375
EBT	3,165	3,077	3,371	3,785
EAT	2,855	2,731	2,974	3,328
<b>Net profit</b>	<b>2,510</b>	<b>2,417</b>	<b>2,630</b>	<b>3,020</b>
Minority interests	345	314	344	308

Balance sheet	FY19	FY20F	FY21F	FY22F
<b>Current assets</b>	<b>16,075</b>	<b>16,276</b>	<b>15,609</b>	<b>17,009</b>
I. Cash & cash equivalents	5,083	3,161	2,012	2,966
II. Short-term investments	658	658	658	658
III. Current accounts receivable	8,714	8,272	8,726	9,159
IV. Inventories	1,428	4,058	4,172	4,265
V. Other current assets	192	127	41	-39
<b>Non-current assets</b>	<b>39,621</b>	<b>46,293</b>	<b>52,919</b>	<b>59,569</b>
I. Long-term receivables	3	35	35	35
II. Fixed assets	37,320	34,776	32,064	29,303
1. Tangible fixed assets	37,249	34,712	32,006	29,251
2. Intangible fixed assets	70	64	58	52
III. Investment properties	0	0	0	0
IV. Long-term assets in progress	217	9,588	19,081	28,620
V. Long-term investments	983	983	983	983
VI. Other long-term assets	1,098	911	756	628
<b>Total assets</b>	<b>55,696</b>	<b>62,569</b>	<b>68,528</b>	<b>76,578</b>
<b>Liabilities</b>	<b>26,186</b>	<b>31,464</b>	<b>36,329</b>	<b>42,910</b>
<b>I. Current liabilities</b>	<b>17,064</b>	<b>19,293</b>	<b>19,170</b>	<b>21,426</b>
1. Short-term payables	7,906	11,832	13,392	14,877
2. Short-term loans	9,158	7,461	5,778	6,549
<b>II. Non-current liabilities</b>	<b>9,123</b>	<b>12,171</b>	<b>17,158</b>	<b>21,484</b>
1. Long-term payables	729	729	729	729
2. Long-term loans	8,394	11,442	16,429	20,755
<b>Equity</b>	<b>29,509</b>	<b>31,105</b>	<b>32,199</b>	<b>33,668</b>
1. Charter capital	23,419	23,419	23,419	23,419
2. Surplus	0	0	0	0
3. Retained earnings	3,467	5,063	6,158	7,626
4. Minorities interests	2,623	2,623	2,623	2,623
<b>Total liabilities &amp; equity</b>	<b>55,696</b>	<b>62,569</b>	<b>68,528</b>	<b>76,578</b>

Key ratios	FY19	FY20F	FY21F	FY22F
<b>Valuation</b>				
EPS (VND)	1,028	981	1,067	1,227
BVPS (VND)	12,600	13,282	13,749	14,376
P/E	10	10	10	8
P/B	0.8	0.8	0.7	0.7
<b>Profitability</b>				
Gross profit margin	15%	14%	14%	15%
EBITDA margin	21%	19%	19%	19%
Net profit margin	7%	7%	7%	8%
ROE	9%	8%	8%	9%
ROA	4%	4%	4%	4%
<b>Growth</b>				
Revenue growth	8%	0%	3%	3%
EBT growth	27%	-3%	10%	12%
Profit after tax growth	25%	-4%	9%	12%
EPS	26%	-5%	9%	15%
Total assets	-4%	12%	10%	12%
Equity	10%	5%	4%	5%
<b>Liquidity</b>				
Current ratio	0.9	0.8	0.8	0.8
Quick ratio	0.9	0.6	0.6	0.6
Liabilities/Total assets	47%	50%	53%	56%
Liabilities/Equity	89%	101%	113%	127%
Interest coverage ratio	3.6	3.9	5.5	7.6
<b>Operating efficiency</b>				
Receivables turnover	5	4	4	4
Days sales outstanding	81	83	85	87
Inventory turnover	11	8	8	8
Days sales of Inventory	34	49	49	49
Payables turnover	3	3	3	3
Days payables outstanding	114	135	140	146

Cashflow Statement	FY19	FY20F	FY21F	FY22F
CFO	5,323	6,730	6,252	6,564
CFI	(422)	(9,301)	(9,301)	(9,301)
CFF	(3,003)	649	1,899	3,691
Net cash flows during the period	1,898	(1,922)	(1,150)	954